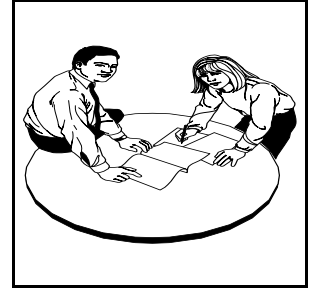


## **SECTION B. ESTABLISHING PROGRAM STRUCTURE**

### **1. DESIGNATION OF LOCAL PROGRAM AND FISCAL MANAGER**

Each grantee was asked in the application to designate a person to be the program manager during the contract period. This person is very important to the state staff because they will be working closely in the duration of the project. They will manage the project and will be responsible for all program compliance. Preferably, this person should be a staff member, or it may be a consultant/engineer under separate contract. Project managers should not be persons subject to local elections during the 20-month period that the contract is in effect. This will eliminate disruptions in the continuity of the project. The project manager must be directly involved in the day-to-day oversight of the project. The person should be knowledgeable and motivated to make sure it progresses consistently through to completion of the contract.



The program manager will handle all program management issues. The state will depend on this person to see that the project is completed in a timely manner. The administration of a CDBG grant is a time consuming effort, particularly in the beginning stages. If an employee is asked to take on this responsibility, elected officials should be sensitive to the time demands and temporarily relieve them of other duties as necessary.

Each year an increasing number of recipients pass a grant through to a non-profit or similar organization. Most of the recipients that pass through money are counties but in some cases they are cities. It is very important for these organizations to remember that while they are passing through the money they cannot pass along the legal requirements they assume as a legal recipient of federal funds. The municipality is legally responsible for maintaining all required documentation and for compliance with all state and federal laws. The state will enforce these requirements with the legal recipient so please be prepared!

Additionally, the locality should designate a person subject to the program manager, but who has power to receive and disburse funds. This fiscal agent, in many cases, may be the local fiscal officer, such as the clerk or recorder. This is particularly important in those cases where the grant funds are being disbursed through the locality's regular disbursement process. Accurate records of all deposits, receipts and expenditures associated with the CDBG funded activity must be maintained by this individual.

### **2. PROGRAM MANAGEMENT**

If a grantee desires to contract for the administration of its grant to a third party it is suggested that they first evaluate two options. The engineer or architect who completed the design of the project may do the management of public improvement projects such as water, sewer or other types of construction. The service contract should specifically bind the entity for full project compliance. For all other types of projects or if the engineer/architect is not involved in administration, the grantee may wish to contact the Association of Governments (AOG). Often the AOG will offer a greater level of experience at a lower cost.

The grantee may contract with another entity if no other arrangements can be made according to the preceding information. It will be necessary for the Grantee to adhere to state procurement guidelines when identifying a consultant/engineer. These requirements include advertising "requests for proposals" (RFP's), twice in a locally distributed newspaper at least five days in advance of the opening date. Selection criteria should be created and used. The Grantee must also include all Equal Opportunity Employment Standards in this advertisement. The involvement of minority contractors is strongly recommended.

### **3. IDENTIFY LOCAL REQUIREMENTS THAT MAY AFFECT OR BE AFFECTED BY PROJECT IMPLEMENTATION**

Beyond the state and federal program requirements outlined in this manual, each grantee may also be subject to local rules and regulations specific to that jurisdiction. Prior to the start-up of actual project activities, the locality should review each project element to determine if any local regulations may apply. For example, if the locality has adopted the Uniform Building Code, all building construction or housing rehabilitation activities must conform to the code requirements. Any contract for performing work on the project should specify that any improvements to the property must conform to the Uniform Building Code.

It is recommended that legal counsel for the grantee also review the scope of work outlined in the CDBG contract to ensure that the locality does have the legal authority under Utah Law to undertake the activities described in the contract document.

### **4. PREPARATION OF GRANTEE FILE**

**ORGANIZATION!!!** Simplify your life: Do yourself a favor! Organize now!!! The establishment of files both electronic and hard copy is critical to project success and effortless monitoring and public review! Documentation to support compliance is mandatory! Proper organization will help you keep track of all the important documentation during the life of the project. Continual updating of this information during the project will allow final monitoring to occur worry free because the applicant will know that all documentation is complete. Get a box, file cabinet drawer, binder, etc. and create tabs or file folders for each of the categories listed below. As information and documentation is obtained you can file it directly and not think about it again because you will know where it is. This point can't be over emphasized. Organization of required documentation will make all the difference between a successful project and two years of tremendous stress in your life. **Documentation is not an option!**

This section will provide a general outline of a suggested filing system that will meet HCD monitoring requirements. Many of the specific file entries will be discussed in other sections of the manual as they relate to specific CDBG program activities and compliance with state and federal regulations.

#### **a. APPLICATION FILE**

- 1) Grantee's pre and final applications (as submitted), including all supporting documentation (official proofs of publications for public hearings, original survey responses from LMI surveys, slum blight resolution (if applicable), a copy of referenced page from the relevant consolidated plan, all other documentation used to prepare the application).
- 2) A subcontractor agreement, if necessary.
- 3) All correspondence related to the application (including phone conversations, notes, memos, etc.).

#### **b. CONTRACT FILE**

- 1) Award letter.
- 2) An executed copy of the grant contract between the Grantee and HCD.
- 3) All approved amendments.
- 4) Any documents relating to contract certifications that are a part of the contract including:
  - Displacement,
  - Civil rights,
  - Fair housing,
  - Citizen participation, etc.

5) All related correspondence, notes, etc.

**c. FINANCIAL MANAGEMENT FILE**

- 1) Time sheets, (if appropriate) to document administrative time spent for reimbursement.
2. A copy of the general ledger or equivalent.
3. Documentation of all expenditures including invoice vouchers and canceled checks directly showing expenditures and any other supporting documentation.
4. Proof of receipt of payment from the state (a copy of the state check).
5. Deposit documentation of state fund receipts and bank deposit slips for all funds received.
6. Payroll records for local staff administering the CDBG program including time sheets and attendance records especially if the grantee is spending funds for administration purposes.
7. Monthly bank statements.
8. Audit reports including both the financial audit and the compliance and program audit.

See Financial Management section for a more detailed listing of documentation to be included in the file.

**d. PROFESSIONAL SERVICES**

- 1) Request for Proposal (RFP).
- 2) Consultant contract.
- 3) An agreement for engineering or architectural services if the grantee is doing a construction project.

**e. ENVIRONMENTAL REVIEW FILE**

- 1) Letter designating Environmental Certifying Officer (ECO).
- 2) Description of Proposed Action (DPA).
- 3) Checklist and supporting documents.
- 4) Environmental publications.
- 5) Release letter from state.
- 6) Any miscellaneous correspondence, notes, etc.

**f. CONSTRUCTION FILE\***

- 1) The bid specifications packet.
- 2) Actual proofs of publication.
- 3) Request for bids.
- 4) Bid tabulations.
- 5) The submitted bids.
- 6) Contractor and subcontractor eligibility letters from the state.
- 7) Contract document and other related materials.

**g. LABOR STANDARDS FILE\***

- 1) Request for wage determinations.
- 2) Pre-construction conference minutes.
- 3) Contractor payroll forms.
- 4) Interview forms.

*\*The Construction and Labor file may be maintained collectively if the grantee desires. The grantee may find it easier to access information if it is separated, especially for complex construction projects.*

**h. HOUSING REHABILITATION FILES**

This file should contain a copy of the locally established procedures for conducting the housing rehabilitation program. Each house rehabilitated should have its own file with contracts, inspection reports and procurement of contractor data.

**i. ECONOMIC DEVELOPMENT FILES**

- 1) Agreement between the locality and the assistance recipient.
- 2) Each loan should also have its own file that contains all loan specific information.

If the project is economic development planning, or technical assistance, documentation of the plans prepared or the provided technical assistance must be maintained. These records must be very specific in order to demonstrate compliance with the national objective under this activity. The grantee must be able to document its involvement in the creation of jobs and be able to document the job types created and have completed income certification forms. (Please refer to the Economic Development Section of the Application Guide to review eligible activity and compliance under Economic Development Planning/TA activities). The information you will need to document might include:

- (a) Copies of the actual E.D. plans developed.
- (b) E.D. conferences/workshops/training attended or sponsored (dates, places, and attendees).
- (c) Companies or firms who requested or were provided with information pertinent to E.D. (i.e., a date log listing the company/individual(s) requesting assistance, information requested, assistance provided, outcome (i.e., were jobs created as a result).
- (d) E.D. promotional activity/documents prepared.
- (e) Copies of income certifications.
- (f) Other miscellaneous information based on the Technical Assistance proposed in the contract scope.

**j. CIVIL RIGHTS FILE**

- 1) Documentation of EEO compliance when advertising for jobs.
- 2) Copy of EEO resolution.
- 3) Availability of personnel policies.
- 4) Documentation to demonstrate grantees ability to identify minority and ethnic status of employees.

**k. ACQUISITION OF REAL PROPERTY, WATER RIGHTS or EASEMENTS:**

- 1) Notice of exemption, if appropriate.
- 2) Correspondence with owner, negotiations.
- 3) Preliminary acquisition intent letter.
- 4) Evidence of receipt of letter by owner.
- 5) Appraisal and review appraisal.
- 6) Purchase offer, final purchase offer.
- 7) Deed, title evidence.
- 8) Closing documents.
- 9) Proof of payment.
- 10) Appeals.

**l. RELOCATION OF RESIDENTIAL OCCUPANTS OR BUSINESSES**

- 1) List of all occupants/businesses who occupy subject property.
- 2) Evidence of timely notice to occupants from grantee regarding displacement intent.
- 3) Timely offers of assistance, physical and financial.
- 4) Separate files for each individual/business assisted, including all information contained later in this document in the monitoring section.
- 5) Appeals.
- 6) All miscellaneous correspondence.

**m. 504 ADA NEEDS ASSESSMENT/INVENTORY**

- 1) Inventory.
- 2) A Checklist for Determining Architectural Barriers of inventoried structures.
- 3) Assessment, if the grantee has had a grant before this checklist should have already been completed. If the grantee is new, the checklist must be completed and maintained in your files and will be reviewed at the time of monitoring.

**n. WATER OR SEWER RELATED PROJECTS**

- 1) Letter from the State Health Department regarding plan/design approval.
- 2) Copies of all correspondence from the Health Department including final approval.
- 3) Inspection of the completed system by both the Health Department and the grantees inspector or engineer.

**o. PROGRESS REPORTS**

- 1) Any progress reports previously submitted.

**p. CLOSE-OUT/AUDIT**

- 1) The completed closeout packet
- 2) Single audit
- 3) Monitoring letter from the state
- 4) Final closeout from state

## **Frequently Asked Questions**

- 1- What if the originally designated program manager leaves office or terminates employment, or for some other reason is no longer available to act in that capacity?

**The grantee recipient must immediately notify their state program specialist; a new program manager must be designated as quickly as possible; and this person must make an appointment to meet with the program specialist to obtain the necessary training before any other action can take place on the grant. If the new person has had previous CDBG management experience it may not be necessary for them to meet for additional training, but the state program specialist must be made aware of this change as soon as possible.**

- 2- Can the Engineer or Architect I procured for this project also perform the Program Management?

**Yes. The use of the Engineer or Architect as the Program Manager is a personal decision made by the grantee. Keep in mind that if you wish to use that process you must be sure that you have included that aspect of the project with the requirements of the scope of work agreed to by the engineer or architect before you sign their contract.**

- 3- Is it really necessary to set up files?

**The establishing of a distinct filing system for this project is essential! If the files are maintained on a daily basis it will not only save you significant time during your every day operation but will be of tremendous value to you when the time comes for the grant to be monitored. Do yourself a favor: Set up a file system as soon as you leave the workshop.**

- 3-Does anyone ever really look at these files?

**YES! Every grantee will receive an in-person visit from their program specialist before final funds can be drawn-down.**